



Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness
of Proposed Rule Change to Delay the Implementation of BX's Rule Amendment to Limit Short
Term Options Series Intervals to July 1, 2021

May 5, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 22, 2021, Nasdaq BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to delay the implementation of BX's rule amendment to limit Short Term Options Series intervals between strikes which are available for quoting and trading from "prior to June 30, 2021" to "July 1, 2021."

The Exchange also proposes a small amendment to the table within Supplementary Material .07 to Options 4, Section 5 to add a "greater than" to the table.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/bx/rules>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

BX received approval³ to amend the Short Term Options Series program, within Options 4, Section 5, “Series of Options Contracts Open for Trading,” to limit the intervals between strikes for multiply listed equity options classes that have an expiration date more than twenty-one days from the listing date. At this time, BX proposes to delay the implementation of BX’s rule amendment to limit Short Term Options Series intervals between strikes which are available for quoting and trading from “prior to June 30, 2021” to “July 1, 2021.” The Exchange also proposes a small amendment to the table within Supplementary Material .07 to Options 4, Section 5 to add a “greater than” to the table.

Background

Once implemented, BX’s amendment to Options 4, Section 5 will limit the intervals between strikes in options listed as part of the Short Term Option Series program that have an expiration date more than twenty-one days from the listing date. Specifically, BX will limit the intervals between strikes by utilizing the table within Supplementary Material .07 of Options 4,

³ See Securities Exchange Act Release No. 91125 (February 12, 2021), 86 FR 10375 (February 19, 2021) (SR-BX-2020-032) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1, To Amend Options 4, Section 5, To Limit Short Term Options Series Intervals Between Strikes That Are Available for Quoting and Trading on BX).

Section 5 for expiration dates of option series beyond twenty-one days.⁴

Implementation

First, the Exchange proposes to amend the implementation date to limit Short Term Options Series intervals between strikes which was proposed within its Amendment No. 1 to SR-BX-2020-032.⁵ The Exchange proposes to amend the date from “prior to June 30, 2021” to “July 1, 2021.” The Exchange will issue an Options Trader Alert to Participants with the date of implementation.

Proposal

Second, the Exchange proposes a small amendment to the table within Supplementary Material .07 to Options 4, Section 5. The Exchange proposes to capitalize the word “greater” in Tier 1 and add the words “Greater than” within Tier 2. As proposed the table would appear as follows:

| Tier | Average Daily Volume | Share Price | | | | |
|------|-----------------------------|----------------|------------------------|-------------------------|--------------------------|------------------|
| | | less than \$25 | \$25 to less than \$75 | \$75 to less than \$150 | \$150 to less than \$500 | \$500 or greater |
| 1 | Greater than 5,000 | \$0.50 | \$1.00 | \$1.00 | \$5.00 | \$5.00 |
| 2 | Greater than 1,000 to 5,000 | \$1.00 | \$1.00 | \$1.00 | \$5.00 | \$10.00 |
| 3 | 0 to 1,000 | \$2.50 | \$5.00 | \$5.00 | \$5.00 | \$10.00 |

This non-substantive amendment is intended to bring greater clarity to BX’s rule.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in

⁴ The table considers both the share price and average daily volume for the option series.

⁵ See supra note 3.

⁶ 15 U.S.C. 78f(b)

general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by delaying the implementation to limit the intervals between strikes for multiply listed equity options classes within the Short Term Options Series program to allow the Exchange additional time to implement related functionality. The Exchange notes that the delay is one day after the time period of the initial planned implementation.

BX's proposed amendment to the table within Supplementary Material .07 to Options 4, Section 5 is consistent with the Act because it clarifies the tiers by adding the words "greater than" to Tier 2. The amendment will bring greater clarity to the Exchange's rule.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to delay the implementation to limit the intervals between strikes for multiply listed equity options classes within the Short Term Options Series program does not impose an undue burden on competition. The delay allows the Exchange additional time to implement related functionality. Also, the delay is one day after the time period of the initial planned implementation.

The proposed amendment to the table within Supplementary Material .07 to Options 4, Section 5 does not impose an undue burden on competition. The amendment will bring greater clarity to the Exchange's rule.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

⁷ 15 U.S.C. 78f(b)(5).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii)⁸ of the Act and Rule 19b-4(f)(6) thereunder.⁹ Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁰

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BX-2021-019 on the subject line.

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BX-2021-019. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BX-2021-019, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2021-09882 Filed: 5/10/2021 8:45 am; Publication Date: 5/11/2021]

¹¹ 17 CFR 200.30-3(a)(12).